
OLR Bill Analysis

sHB 6476

AN ACT CONCERNING CERTIFICATES OF INSURANCE FOR PROPERTY AND CASUALTY INSURANCE COVERAGE.

SUMMARY:

This bill prohibits the improper use of certificates of insurance for property and casualty insurance coverage. A “certificate of insurance” is a document or instrument prepared or issued by an insurer or insurance producer as evidence that personal or commercial risk insurance has been issued on property, operations, or risks located in Connecticut. It excludes an insurance policy, binder, endorsement, or auto insurance identification card.

Under the bill, it is illegal to:

1. prepare, deliver, or issue a certificate of insurance that includes false or misleading information;
2. prepare an amendment to a certificate or deliver or issue a new certificate unless it accurately reflects the underlying insurance policy;
3. represent that a certificate confers new or additional rights to anyone beyond those covered by the underlying policy;
4. represent that amending a certificate will amend or extend the coverage provided by the underlying policy;
5. require or request another person to perform any of the acts specified above; or
6. prepare, issue, demand, or require an opinion letter or other correspondence, in addition to or in lieu of a certificate, that is inconsistent with the bill, but the insurer or producer may prepare or issue an addendum to the certificate to explain the

coverage provided by the underlying policy.

The bill also prohibits a certificate from including a warranty that the underlying policy complies with the insurance or indemnification requirements of a contract. Referring in a certificate to a contract number or description will not be construed to be such a warranty.

The bill authorizes the insurance commissioner to investigate anyone he reasonably believes is violating the bill. By law, a violator is subject to a fine of up to \$15,000 (CGS § 38a-2).

EFFECTIVE DATE: October 1, 2013

COMMITTEE ACTION

Insurance and Real Estate Committee

Joint Favorable Substitute

Yea 12 Nay 6 (03/20/2013)